

Financial Future of Nixon Is

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President Nixon leaves office with a bright financial future virtually guaranteed by his personal ownership of rooms full of presidential documents that will be worth millions of dollars.

While saddled at the moment with huge bills for back taxes and mortgages, and while his savings were depleted by recent tax and mortgage payments, Mr. Nixon's presidential and pre-presidential papers will have great value should he decide to sell them.

In addition, Mr. Nixon will get a series of benefits he would have lost had he been impeached and convicted. He will receive:

- A \$60,000 annual lifetime presidential pension.
- Up to \$96,000 a year in government allowances for staff assistance.
- Free office space.

His wife, should she survive him, would get a \$20,000-a-year pension.

These benefits, first authorized by Congress in 1958 for all former presidents, were provided to insure that former presidents would not be forced to undertake demeaning tasks to support themselves. The presidential pension is set at the salary of Cabinet members—presently \$60,000 a year—and would rise automatically in the event Cabinet salaries are increased.

On top of these special presidential benefits, Mr. Nixon might be eligible for about \$18,000 in Civil Service retirement benefits as a result of his service in the House, Senate and vice presidency. The retirement benefits are contingent on his having participated over the years in the optional program. A Civil Service Com-

mission spokesman said yesterday he was not allowed to comment on Mr. Nixon's eligibility for retirement benefits.

The President would also be entitled to Secret Service protection for as long as he wants it, free mailing privileges for non-political mail and any Social Security benefits he might have earned while in private law practice.

But the great bulk of his financial assets clearly lies in boxes of documents temporarily stored at the National Archives in Washington. According to a recent report of the Congressional Joint Committee on Internal Revenue Taxation, the presidential papers apparently belong to Mr. Nixon personally:

"Since the time of George Washington, it has been customary for Presidents of the United States to treat their papers as their own personal property. The historical precedents, taken together with the provisions set forth in the Presidential Libraries Act, suggest that the papers of President Nixon are considered his personal property rather than public property," the report said.

A spokesman for the National Archives said yesterday that about 13,000 cubic feet of Mr. Nixon's presidential documents are in storage there.

While their value has not been calculated, about 1,200 cubic feet of Mr. Nixon's pre-presidential papers were assessed at about \$2 million by Chicago appraiser Ralph G. Newman.

"If the pre-presidential papers were worth that much," said an Internal Revenue Taxation Committee staffer, "then these

(presidential papers) are probably worth \$3 million. I'm just guessing of course, but they're worth a lot."

"If he owns the (White House) tapes, it would probably go up (in value) to \$5 million," the staffer said.

The value of the Nixon archives will be enhanced considerably by the presidential tapes that Mr. Nixon could justifiably claim as his own, according to legal and tax officials. Even the subpoenaed Watergate-related recordings apparently belong to the President.

"Just because you had to produce something to a court, so long as it is returned and you retain title, you can still claim ownership," said an Internal Revenue Service spokesman.

A spokesman for the National Archives said the materials in storage there include "papers and audiovisual materials." He would not say if any of the White House tapes are included.

"This talk of Nixon going out a pauper is crazy," said a joint Taxation Committee staffer. "He's a millionaire."

In addition to his presidential papers, Mr. Nixon still controls about three-quarters of his pre-presidential documents, estimated by his own appraiser to be worth about \$1.5 million. "If he needs any money," said the committee staff member, "he can raise a million and a half out of those pre-presidential papers. That makes him a rich man by ordinary standards."

In 1969, Mr. Nixon donated about a quarter of his pre-presidential documents

to the National Archives, taking a \$576,000 income tax deduction that was later declared improper by both the Internal Revenue Service and the joint Taxation Committee.

Partly because of this ruling, Mr. Nixon faces a variety of pressing but probably temporary financial difficulties.

In April, he and his wife agreed to pay \$284,706 in back taxes for the years 1970, 1971, and 1972. Looming ahead is the payment of \$148,081 in unpaid taxes for 1969, which he said he will pay although the statute of limitations had run out.

Then in July, Mr. Nixon was unable to meet the largest and last payment of his portion of the San Clemente property. Although he managed to pay part of it, he still owes about \$188,000, now due next Jan. 15, and he is reportedly looking into ways to refinance the payment over several years.

Once out of office, moreover, Mr. Nixon could face a number of lawsuits to further drain his wealth. And the possibility lingers that the Watergate special prosecutor may bring a tax fraud charge against Mr. Nixon, which could result in a \$196,000 civil fraud penalty.

In its investigation earlier this year, the IRS found insufficient evidence of fraud but referred the case to the Watergate special prosecutor for a grand jury inquiry into the controversial pre-presidential papers donation.

Finally, the President faces the possibility of disbarment in his home state

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of California, where action is pending. If disbarred, he would be unable to practice law, drying up his main source of income in his years outside public office.

Like some other presidents before him, Mr. Nixon's political life did not prevent him from making a good deal of money. Since 1947, when he was first elected to Congress, his net worth increased from about \$10,000 to the nearly \$1 million in assets he reported in December, 1973.

In addition to his government salaries, Mr. Nixon earned a substantial income while out of office, working as a lawyer for a prestigious New York firm. Over the years he has also profited from a variety of real estate transactions. His book, "Six Crises," sold 75,000 copies in hardcover, bringing in about \$250,000 plus serialization and foreign rights income.

One important sidelight to these financial considerations is the impact on future scholarship in the event that Mr. Nixon is forced to sell his papers to a variety of libraries or other buyers.

Every President since Herbert Hoover has donated his papers to a central library run by the National Archives. But the 1969 closing of tax deductions for such gifts might force Mr. Nixon to sell his papers, perhaps spreading them out over many different institutions.

Asked about this possibility, an archives spokesman said, "This gets into an area without precedent. A few days' wait could be helpful before giving an answer."